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SUBJECT: U.S. Presidential Delegation August 23, 2008 Meeting with Chinese Premier Wen Jiabao

- (U) This cable is Sensitive But Unclassified. Please protect accordingly.
- ¶1. (U) August 23, 2008; 1045; Zhongnanhai Leadership Compound, Beijing, China.
- 12. (U) Participants:

United States

Secretary of Labor Elaine L. Chao Secretary of Health and Human Services Michael O. Leavitt

Ambassador Clark T. Randt, Jr.

Ms. Karen Hughes

Ms. Michelle Kwan

Associate Deputy Secretary of Labor Anna Hui

HHS Special Advisor Allyson Bell

Dr. James Chao

Mr. Brian Langley, DOS Protocol

Mr. Michael Crain, U.S. Embassy Beijing

Eric Barboriak (Embassy notetaker)

Jim Brown, interpreter

PRC

Premier Wen Jiabao

Foreign Minister Yang Jiechi

Commerce Minister Chen Deming

Vice Foreign Minister Zhang Yesui

PRC Ambassador to the United States Zhou Wenzhong

Director General Zheng Zeguang, MFA North American and Oceanian Affairs Department

Deputy Director General Deng Hongbo, MFA North American and Oceanian Affairs Department

Deputy Director General Yang Guangyu, MFA Protocol Department Deputy Director General Qin Gang, MFA Information Department

MFA notetakers

Zhang Yu, interpreter

Summary

 $\underline{\P}3$. (SBU) Premier Wen stated that the participation of President Bush and his family in the Opening Ceremony of the Olympics and the U.S. Presidential Delegation's participation in the Closing Ceremony reflect the great friendship between the United States and China. Secretary Chao offered sympathies for the victims of the May 12 earthquake in Sichuan and praise for China's efforts in hosting the Olympics. Premier Wen stated that U.S.-China relations are in a good state due to the policies of the Bush Administration and that positive bilateral relations promote peace and stability internationally. China is committed to peaceful development domestically, continuing on the path of reform and opening and pursuing a peaceful foreign policy, he said. Premier Wen expressed hope to see more bilateral cooperation in labor and health issues. Secretary Leavitt stated that bilateral cooperation on food and product safety over the last year has yielded positive results, including the planned October opening of three FDA branch offices in

- 14. (SBU) In his welcoming remarks, Premier Wen stated that President Bush's attendance with his family at the Olympics Opening Ceremony and the attendance by this U.S. Presidential Delegation to the Olympics Closing Ceremony not only demonstrate U.S. support for China's efforts in hosting the Olympic Games but also reflect the great friendship between the two nations. Premier Wen noted the great U.S. athletic achievement in the Olympic Games as reflected in the U.S. lead in total medal count.
- 15. (SBU) Secretary Chao expressed thanks for the opportunity to meet with Premier Wen and passed along warm greetings from President Bush. She passed along the regrets of Secretary Rice, who was unable to attend the Closing Ceremony due to the crisis in Georgia. Secretary Chao offered sympathies on behalf of the delegation for the victims of the May 12 earthquake in Sichuan Province and praised the Premier for his great efforts in comforting the Chinese people during that time of tragedy. Secretary Chao also said she appreciated Chinese Government efforts to assist the Bachman family in the aftermath of the assault/murder in Beijing on August 9. Premier Wen expressed thanks for the sympathy, condolences and assistance from the United States in the wake of the Sichuan earthquake, and he wished Mrs. Bachman an early recovery from her injuries.
- 16. (SBU) Secretary Chao congratulated the Chinese people on hosting a spectacular Olympic Games, noting that people around the world are impressed with China's great efforts in organizing the Olympics. She thanked the Premier for his generous comments on the achievements of the U.S. Olympic team, saying she would pass this on to the athletes. Expressing praise for Chinese athletes, she noted

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the Chinese Olympic team's lead in the gold medal count. Secretary Chao said the spectacular Opening Ceremony, with its rich symbolism and reference to Chinese history, gave Americans a greater appreciation of China and its history. She also made special note of Lin Hao, the nine-year-old student who helped save his classmates during the Sichuan earthquake, who accompanied China's Olympic Team flag bearer Yao Ming during the Opening Ceremony procession. Noting Chinese officials present at the meeting, Secretary Chao complimented Foreign Minister Yang for his great understanding of the United States and noted the good cooperative relationship with Commerce Minister Chen in the Senior Economic Dialogue. She expressed appreciation for Ambassador Zhou's great efforts to visit all parts of the United States in order to gain a greater understanding of American society. Secretary Chao reported she had a constructive meeting August 22 with PRC Minister of Human Resources and Social Security Yin Weimin, in which the two discussed the initiative to transform China into an "Innovation Society."

- 17. (SBU) Secretary Leavitt recalled the Closing Ceremony of 2002 Winter Olympics in Salt Lake City, which took place during his tenure as Utah Governor. During the event, he discreetly mingled with other attendees, one of whom spontaneously chanted "Utah, Utah, Utah!" as an expression of the great effort and success the people of Utah felt in hosting the Olympics. Secretary Leavitt said that the Chinese people should feel similarly proud of their achievement in hosting this Olympics.
- 18. (SBU) Ms. Hughes stated that the Olympics will help Americans see China in a new way and will improve bilateral relations. Ms. Hughes noted the great personal connection Premier Wen established with the Chinese people in the aftermath of the Sichuan earthquake.
- $\P 9$. (SBU) Ms. Kwan stated that the Olympics were well-organized and noted that U.S. athletes with whom she spoke had positive impressions of the Olympic Games and China.

U.S.-China relations

110. (SBU) Premier Wen stated that U.S.-China relations are in a historically good state, and much of the positive momentum in bilateral relations is due to the Bush Administration's policies

over the last seven years. The frequency of high-level exchanges has rarely been so high over the history of bilateral relations, Premier Wen noted, adding that President Bush's attendance at the Opening Ceremony in Beijing, the first time a U.S. President has attended an Opening Ceremony otside the United States, further reflects the importance of developing bilateral relations.

111. (SBU) Premier Wen acknowledged that the U.S.-China bilateral relationship has had its share of "twists and turns." Quoting a Chinese poem, Premier Wen said, "one must get to the top to have a bird's view." From such an overall perspective, he said, one can observe that the development of good relations between the "world's strongest developed country and the world's largest developing country" is "conducive to the peace and stability of the whole world." Premier Wen said that difficulties in the bilateral relationship are "small hills" that can easily be surmounted. He expressed confidence that good momentum in bilateral relations will be maintained with whoever serves as the next President of the United States. (Note: The August 23 Xinhua report of the meeting states that Wen also called on the two sides to "properly handle differences and sensitive issues." This statement was not included in Wen's actual comments that we noted during the meeting.)

"The Three Commitments"

- 112. (SBU) Premier Wen outlined three "commitments" that will characterize China's development in the future. The first is that China is committed to the path of peaceful development. Premier Wen noted that though China has achieved a successful Olympic Games, not all of China has achieved positive success in terms of development, adding, "national leaders must be aware of this." Premier Wen pointed out that China will need "decades" of hard work by Government officials and "generations" of Chinese to pass before China will reach even a "moderate prosperity level" throughout the country. He recalled a conversation with a famous Chinese poet who said that identifying problems in governance during times of chaos is easier than identifying problems during times of peace. Premier Wen said Chinese leaders must remain vigilant for the hidden challenges that can suddenly arise in what appear to be peaceful and affluent times.
- 113. (SBU) The second "commitment" is to continue the 30 years of China's reform and opening policy. Premier Wen stated that China's achievements can be attributed to this reform and opening policy, and China cannot stop or step back on this path. "We do not think

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China is free of problems," Premier Wen said, "but we rely on the reform and opening policy to solve them."

114. (SBU) The third "commitment" is to pursue a peaceful foreign policy. As China remains primarily focused on national development, its foreign policy will be independent and peaceful, Premier Wen said, adding "we will respect other countries and respect ourselves." Premier Wen stated that all countries should treat each other on the basis of equality, seeking mutual benefit and accommodating each other's interests and concerns. Saying that "China is not yet modernized," Premier Wen stated that "even when China is modernized, it will not seek to influence (dominate) other countries nor seek hegemony."

Bilateral Cooperation in Labor and Health Issues

115. (SBU) Premier Wen expressed hope that U.S.-China relations will not only be strengthened in political, economic and cultural aspects, but in the areas of labor and health as well. He noted that the upcoming U.S. Labor Day holiday reflects U.S. appreciation of its workforce and the importance of social security issues. China, he said, only ten years ago initiated a social security program and "can learn from the United States" on how to address the challenges of providing benefits to China's large population with limited funding and program management experience. Premier Wen noted that China will soon roll out a health and drug control and administration plan. (Note: The August 23 Xinhua report of the

meeting states that Wen also said "inspection and quarantine" are important aspects of bilateral ties. This statement was not included in Wen's actual comments that we noted during the meeting.)

116. (SBU) Premier Wen said that many ordinary Chinese citizens complain about inability to access and afford medical care, which he interprets as an implicit criticism of Chinese Government efforts and an expression of hope for improvement. Premier Wen said he hopes the introduction of reforms in the medical sector will enable China to provide medical care for children and those living in poverty.

New FDA Offices in China

117. (SBU) Secretary Leavitt said that bilateral cooperation on food and product safety over the past year has yielded positive results, noting that China has taken an "aggressive approach" to addressing existing problems. Secretary Leavitt reported that in October the United States will establish three Food and Drug Administration (FDA) branch offices in China. Such a development is a reflection of the close working relations between the United States and China on food and product safety issues.

Compassionate leader

118. (SBU) Premier Wen said that perhaps many Westerners still do not know him that well and saddle him with the stereotype of a "rigid Communist." On the contrary, he said, his previous experience has instilled in him a compassion for the people. "Compassion is the fundamental basis of all moral virtues," Premier Wen stated, "and on this point, I will not be dwarfed by Western leaders." The assessment of his performance in carrying out his duties, he added, "is up to the people to make."

119. (U) The delegation cleared on this cable. RANDT